

Enforcement Task Force). This is no time to let down our guard in the fight against drugs.

Second, the bill constitutes a short-sighted assault on the Commerce Department's technology programs that work effectively with business to expand our economy, help Americans compete in the global marketplace, and create high quality jobs. As we approach a new, technology-driven century, it makes no sense to eliminate an industry-driven, highly competitive, cost-shared initiative like our Advanced Technology Program (ATP), which fosters technology development, promotes industrial alliances, and creates jobs. Nor does it make sense to sharply cut funding for measures that will help assure our long-term growth and competitiveness—such as our National Information Infrastructure grants program, which helps connect schools, hospitals, and libraries to the information superhighway; the GLOBE program, which promotes the study of science and the environment in our schools; the Manufacturing Extension Partnership, which helps small manufacturers meet the hi-tech demands of the new marketplace; Defense Conversion; or the Technology Administration. And I oppose the bill's harmful cuts for the Census Bureau and for economic and statistical analysis.

Third, I am deeply concerned that this bill would undermine our global leadership and impair our ability to protect and defend important U.S. interests around the world—both by making unwise cuts in funding for international organizations and peacekeeping activities, and by cutting programs of the State Department, the Arms Control and Disarmament Agency, and the United States Information Agency. These cuts would impair our ability to support important activities such as the nonproliferation of weapons, the promotion of human rights, and the control of infectious disease like the Ebola virus.

Moreover, sections of the bill include inappropriate restrictive language, including language limiting the conduct of U.S. diplomatic relations with Vietnam, that I believe infringe on Presidential prerogatives. And I cannot accept the provision that would cut off all funding for these agencies on April 1, 1996, unless the State Department Authorization Act and related legislation had been signed into law.

Fourth, the bill includes three additional provisions that I cannot accept.

It cripples the capacity of the Legal Services Corporation (LSC) to fulfill its historic mission of serving people in need—slashing its overall funding, sharply limiting the administrative funds LSC needs to conduct its business, and imposing excessive restrictions on LSC's operations. LSC should be allowed to carry on its work in an appropriate manner, both in its basic programs and in special initiatives like the migrant legal services program.

Section 103 of the bill would prohibit the use of funds for performing abortions, except in cases involving rape or danger to the life of the mother. The Justice Department has advised that there is a substantial risk that this provision would be held unconstitutional as applied to female prison inmates.

The bill also includes an ill-considered legislative rider that would impose a moratorium on future listings under the Endangered Species Act by the National Oceanic and Atmospheric Administration and other agencies. That rider not only would make bad policy, it also has no place in this bill.

Finally, I would urge the Congress to continue the Associate Attorney General's office.

For these reasons and others my Administration has conveyed to the Congress in earlier communications, I cannot accept this

bill. H.R. 2076 does not reflect my priorities or the values of the American people. I urge the Congress to send me an appropriations bill that truly serves this Nation and its people.

WILLIAM J. CLINTON.

THE WHITE HOUSE, December 19, 1995.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DEWINE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MEDICAID

Mr. DEWINE. Mr. President, we all hope that agreement can be reached very shortly on the budget. I would like to take a few minutes of the Senate's time this afternoon to talk about one particular part of that budget controversy and that is Medicaid. I would like to caution the negotiators, caution all of us on both sides of the aisle, that as we debate and negotiate on Medicaid, we really need to stay focused on the fact that this is not just a question of money. The argument is not over just money. It is not just a question of finding a dollar amount that we can all agree on, a dollar amount that we can compromise. There are also very important policy issues that we simply must deal with. The policy issues are, in a very real sense, even more important than the dollars that are involved.

If we merely reduce the Federal contribution to the States to furnish Medicaid but at the same time do nothing to structurally fix Medicaid, then I believe we will have failed, and that failure will have devastating consequences. Instead, I believe we must seize this opportunity to fix Medicaid by removing the wasteful, inefficient, and administratively burdensome parts of the current program. If we do that, then we will improve Medicaid but, more important, we will improve poor people's health care.

So this debate is not just about money. It is not just about federalism. It is not just about State sovereignty. It is about the poor and how best to serve them, how best to develop constructive and viable alternatives that will meet their health care needs. Because the reality is, if given the flexibility, if given the freedom, the States can devise programs that cost less and at the same time provide better health care for the poor.

I would like this afternoon, therefore, to review for just a few moments where we are currently on Medicaid, where our proposal and the President's proposal would take us. Today, under the status quo, under what has become an open-ended entitlement program, the Federal Government can give States an unlimited amount of money

to look after the health of their poor so long as States do two things. First, States have to provide the poor within their boundaries with a Federally-prescribed set of services. That is, States are told what health care to give their poor and how to give it to them, how to deliver the services. Second, States have to contribute to the costs of Medicaid from their budgets based on a Federal formula.

The fact that unlimited funds have been made available to this program has also meant that there has been no incentive to remove the inefficiencies that exist, nor to come up with new or better ways to serve the health care needs of the poor. This has resulted, in turn, in ever-increasing expenditures on Medicaid by both the Federal Government and by the States. Between 1988 and 1994, 6 years, State spending on Medicaid has increased by 160 percent. During the same years, Federal spending on Medicaid has increased 170 percent. Or, to look at it another way, in 1987 States spent on the average 10 percent of their own budgets on Medicaid. Last year, they spent almost 20 percent.

In a conversation I had this morning with my Governor, the Governor of the State of Ohio, George Voinovich, he told me that in just a few years, unless changes are made, Ohio will be spending 40 percent of its total budget for the cost of Medicaid.

Federal Medicaid spending has grown from 2.7 percent of total Federal outlays to 5.6 percent during this same period of time. So, today, we have a Medicaid Program that is growing too fast and does not provide the best health care for the buck. So we have set out to change this, to cut Federal spending growth—not Federal spending, but to cut the rate of growth, and to cut it in half; and, at the same time, to improve the delivery of health care services to the poor. We proposed a reduction in the current Federal contribution to Medicaid. But, under our plan, we also gave States more flexibility than ever before in determining how health care services should be provided to poor people.

These two changes, fewer dollars from Washington, slower rate of growth, but more flexibility for the States, those two have to go hand-in-hand. You cannot have one without the other, because States cannot deliver health care with fewer dollars if they must do so under the current bureaucracy-laden, expensive system. On the other hand, if we let States be creative, they can spend less and at the same time provide better services.

Allowing States the flexibility to reform and redefine Medicaid means that our proposal is not just a proposal about money. While it is a proposal that sometimes tells the States what services to provide, for the most part it leaves the States to find innovative ways to provide these services. It leaves it up to the States. States are given this flexibility because we believe the States can devise better and

more cost-effective ways in which to deliver health care services. If I could, let me give the Members of the Senate an example, an example I think is very instructive.

Let us take a child on Medicaid who has severe asthma, and who is hospitalized on an average of every 2 to 3 weeks every summer, usually for 3 to 4 days at a time. Medicaid pays for this child to be in the hospital at a cost, tremendous cost, per day. But Medicaid does not—let me repeat—does not allow a State to send a case worker over to that child's home and install an air-conditioner in that child's bedroom to prevent these recurring asthma attacks. An air-conditioner could well save the child from what are very scary breathing problems. I will say my wife, Fran, and I have experienced this with our own children. There is nothing scarier than to have a child who cannot get her breath. A simple thing such as an air-conditioner could save that child from that agony and that family from that agony and, at the same time, save taxpayers thousands and thousands of dollars. Yet, under the current law, this sort of preventive measure is not permitted. This sort of preventive measure is not permitted under current Medicaid law.

Giving the States more flexibility will allow them to be innovative, bold, imaginative, and will provide people with real services that matter—and that in many cases will be cheaper.

Let me give another example, Mr. President. Under today's Medicaid Program Medicaid beneficiaries who suffer traumatic brain injuries are required to be institutionalized in nursing homes, if they want the money, and if they want the help. So if an 18-year-old is involved in a car accident and is left comatose, he or she may be treated in a rehabilitation center until the car insurance is exhausted. But then that 18-year-old would be placed under current law in a nursing home. Imagine if instead this 18-year-old could be treated at home with services specific to his or her needs with community-based services aimed specifically at brain injuries. He may well recover, return to school, get a job, and live a full life. And, Mr. President, it would cost a lot less.

Mr. President, I ask unanimous consent that my time be extended by 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DEWINE. Mr. President, let us consider another example, a 15-month-old baby girl born with short bowel syndrome. The teenage parents can find child care an overwhelming prospect. Under Medicaid today that infant would almost inevitably be sent to an institution. What if nursing services could instead be provided for that baby at home along with training and support for the young parents? That little girl could grow up with parents in a more stable home environment, and live the sort of life that children are

meant to live. And again, Mr. President, it would cost less.

Here is another example. If today an 85-year-old woman has osteoporosis, cancer, psoriasis, she would likely end up in a nursing home. But what if the States could instead establish full health programs that include monthly nursing visits and weekly physical therapy? She could be mobile, hopefully keep her condition from deteriorating, and stay at home.

Another example: As we all know, under the current Medicaid system many, many poor children get ordinary care in emergency rooms. That is where they go for that type of care. But that really is not the place for building long-term doctor-patient relationships. Let us give States the flexibility, and they will develop their own managed care plans for the poor. So these children could go to their own primary care physicians where the doctors will know them, their names, and their medical history. That will certainly ensure better health care. But some may say, but cannot States really do all of these things now? Well, in any one of these scenarios a State could go hat in hand to Washington and maybe, just maybe, get permission, get a waiver, to help their citizens in these alternative innovative, and, yes, responsive ways. But States do not have the ability to address these local situations in their own communities without permission from Washington. That is the law today. They have to go to Washington hat in hand. They have to beg for permission to do it. Why should we have a system in which we must waive the rules in order to simply do what is right?

We instead free States so that they could respond compassionately to their poor, and in the long run provide them with better care while cutting the inefficient and duplicative cost of Medicaid.

So, Mr. President, I believe it is a mistake to look only at the money side of the Medicaid question. The President proposes to cut the rate of growth of Federal contributions but make no structural changes—let me repeat, make no structural changes—and require States to make up the monetary difference. It does not increase State flexibility, and it ties the hands of Governors and State legislators so that States are left paying more toward Medicaid but given an insufficient voice in determining how those funds are spent.

Mr. President, it will take more than this to achieve what I am sure both President Clinton and I ultimately want, and what we all want for the poor of this Nation: Better affordable health care for the poor. Unfortunately, the President's proposal has shifted the debate away from substantive Medicaid reforms to simply a numbers debate.

It must be reiterated again and again that we are not just debating how large or small the Federal contribution to

Medicaid should be. To characterize the debate in this way emphasizes a fundamental misunderstanding of Medicaid, and a fundamental misunderstanding of what this debate is all about. We cannot sit down to the negotiating table to simply split the differences on the Federal contribution level and call it a day. We cannot just sit down and say Republicans are at this figure, Democrats are at this figure, let us split the difference and all go away happily. That is not going to solve the problem. And in fact, Mr. President, as I think I have outlined to demonstrate this afternoon, that may be the worst of all possible worlds. If we end up splitting the difference between the two sides but yet make no change in policy and keep the policy the way it is today, it simply will not work. The States cannot make it work. We will be dealing the States a hand that they simply cannot play. And the people who are going to suffer are not just going to be the Governors, the State legislatures, and the taxpayers of each State. The people who are going to suffer are the poor who depend on Medicaid for their health care. That is who is going to suffer.

Mr. President, to approach it in this simplistic way, to make this just a numbers debate, would be, I believe, to take the easy way out and leave unaddressed the problems currently facing Medicaid today—the inefficiencies, the exorbitant costs. Given the flexibility, States could begin to address. In fact, to split the difference and call it a day would leave the States with a devastating bill to meet these legal obligations. As I stated earlier, my State of Ohio would have to spend 40 percent of its total budget on Medicaid—40 percent. Ohio already devotes 30 percent of its budget to Medicaid today, and this increase would come in just the first 10 years. That is huge, and this percentage will continue to grow.

Mr. President, in conclusion, let me say that States will be forced to pull money away from other programs if this path is followed. Which State programs would we have our Governors cut? Education? Public health and safety? I think not. This runaway proposal would squeeze out all else, and it simply cannot be tolerated.

Mr. President, the only solution would be bankruptcy for the States or increase State taxes to raise money to pay for the ever-increasing legal obligations of the States under Medicaid. This would certainly be one back-door way of increasing taxes that I do not think anyone in this Chamber would approve of. We cannot reduce the Federal contribution to Medicaid while at the same time keep the costly, inefficient, and counterproductive requirements of Medicaid and then simply walk away.

We cannot walk away from the 18-year-old accident victim, nor walk away from the 15-month-old infant of the overwhelmed teenage parents. We

cannot walk away from an 85-year-old woman with osteoporosis and cancer. Mr. President, we do not believe in simply abandoning people. Any Medicaid Program that comes out of these negotiations that we negotiate or vote for should not do that either.

I thank the Chair. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DEWINE). Without objection, it is so ordered.

(Mr. STEVENS assumed the Chair.)

#### CHANGING THE SYSTEM

Mr. BOND. Mr. President, I wish to say that I think we have had some very useful discussions today, although obviously the substantive discussions and negotiations are, we hope, going on elsewhere. But I wish to begin by reemphasizing what my distinguished colleague from Ohio has just said in the past few minutes about the importance of changing the system.

I had the privilege of serving as chief executive of the State of Missouri for 8 years, and I was convinced, as were almost all of my other colleagues who were Governors at the time, Republicans and Democrats, that we could do a far better job in handling many of the programs partially funded by the Federal Government if we did not have all of the strings and restrictions and red tape put upon us. That is why we have moved in this session of Congress to change the programs themselves, to make them more effective and efficient, not just to save money. Obviously, we cannot continue to spend, particularly on entitlement programs like Medicare and Medicaid, at the ever-increasing rates of growth, without destroying these very programs, bankrupting the Government, and destroying our economy. But it is not enough, as has been pointed out by my colleague from Ohio, merely to cut the amount of money that we are turning over to the States. If we tell them, "You have to keep spending the money the way we tell you but we are not going to give you as much as you have been getting, or not as much as an increase as you have been getting," then we risk disaster. We need fundamental changes—allowing the States to develop responsive and responsible, effective and caring programs to meet the needs of those who are recipients of the programs, within these budgetary constraints.

Mr. President, in my second term as Governor, we fought and fought and fought to get waivers from the Department of Health and Human Services, now HCFA, so we could start a managed-care program for Medicaid, so we could give the providers selected by the

Medicaid recipient the opportunity to do the best job they could of keeping that recipient healthy.

It made a tremendous amount of difference. More emphasis was placed on keeping people healthy, on preventive health care, on regular checkups, on routine well-baby care that kept the recipients well, kept them out of the hospital, kept them from lost time. The result was that we saved some money but people on Medicaid in my State were a lot happier, and healthier, with the program. And those examples, those experiments are being carried out in every State in the Nation. If we only could change the program so that State legislators and Governors who are just as concerned as the Members of this body about taking care of those in need could make those innovations, I am convinced we can do it.

Now, we have had, as I have said, much discussion about differences in policy, differences in policy that lie at the base of this balanced budget debate, but part of the problem is, I think, some of the facts are being misstated. We have heard earlier today about how Federal employees are being held hostage; that it is an unheard of shutdown of the Federal Government.

It seems to me, Mr. President, in the time I have been here when there was a Democratically controlled Congress and a Republican President, there were shutdowns in the Federal Government when Congress and the President did not agree. To say that it is unheard of is not true. I believe even during the period of the Carter administration, when there was a Democratic President and a Democratic Congress, there were a number of periods of time when there was no budget or continuing resolution in place. As a matter of fact, some of my colleagues, on a bipartisan basis, today were talking about how the Democratic majority in Congress in 1990 toughened up the Anti-Deficiency Act to make it more painful, more painful for the executive branch to try to continue to operate in the absence of a continuing resolution, and, yes, it appears that some of those chickens have come home to roost now.

But let us make clear one thing. Part of this responsibility, the responsibility that some of the agencies of Government are shut down, is on the back of the President. I can speak from personal experience, having managed the bill that funds veterans, housing, environment, space, emergency management, and other areas—the VA-HUD and independent agencies appropriations bill. We passed the bill. We passed the bill that made over 12 percent cuts from last year's original appropriations.

Now, during the summer of last year, in a rescission bill, the Congress, with the President's signature, rescinded some of those funds from the previous year because that bill, VA-HUD, was making too many promises that could not be kept in out-years. When you make a promise in housing, for exam-

ple, to provide housing over a number of years, you have to appropriate the budget authority up front, but then each year as you carry out that commitment, the expenditure of that authority—the outlays—are scored against the aggregate budgetary limitations for that year.

So we have had to cut back significantly, and the President agreed when he signed the rescission bill that we would cut back on the commitments in VA-HUD. So it was with surprise that when we tried to negotiate with the White House to find out how we could change the fiscal year 1996 appropriations bill to accommodate their needs and their desires, the only thing we got from Mr. Panetta, who was up here on the Hill, was a statement that, well, we just need to spend \$2 billion more, just give us \$2 billion more.

I explained to him, as every Member of this body who is familiar with the appropriations process knows, we cannot give \$2 billion more. We have to stay within the budget. But I suggested that if they were willing to work with us, we could make adjustments within the dollars available and send the President the bill, he could sign that bill, and then to the extent he is able to reach a later agreement which might put more money into the various appropriated accounts, we could come back by a supplemental appropriation or a continuing resolution to add money to the Veterans' Administration, Housing and Urban Development, Environmental Protection Agency, National Aeronautics and Space Administration, the National Science Foundation, and all of those agencies.

What happened? Well, frankly, the President vetoed the bill. The President vetoed the bill because we did not spend as much money as he wanted. That is understandable. Everybody who likes government likes to spend more money. But if you don't want to cut spending in domestic appropriated accounts, you have to find someplace else to take it. You could, for example, cut back on the money going into entitlement programs like Medicare and Medicaid. Actually, we have a very good example of that. The President and Mrs. Clinton back in 1993 and 1994, as my colleagues will recall, came before the Congress—you probably have seen film clips of them recently—and said we really must slow the rate of growth of Medicare to 6 to 7 percent a year.

Mr. President, they were correct because as the Clinton trustees of Medicare and Social Security have said, if we do not reform part A of Medicare, it is going to go broke, it is going to run out of money in the year 2002.

The President was right when he said we have to slow the rate of growth. But not only do we have to slow the rate of growth, just as my friend from Ohio said, we have to change the structure of Medicare; we have to change the structure of Medicare because a top-down Government price-fixing program in health care has not worked.